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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 000203

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AMEMBASSY BRASILIA PASS TO AMCONSUL RECIFE
AMEMBASSY BERLIN PASS TO AMCONSUL DUSSELDORF
AMEMBASSY BERLIN PASS TO AMCONSUL LEIPZIG
AMEMBASSY ATHENS PASS TO AMCONSUL THESSALONIKI

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TAGS: [PGOV](#) [VE](#) [ECON](#)
SUBJECT: EIGHT GBRV CABINET CHANGES IN LAST MONTH

REF: 10 CARACAS 91; 09 CARACAS 1232

CLASSIFIED BY: Rolf Olson, Acting Political Counselor; REASON: 1.4(D)

¶1. (C) Summary: On February 13, President Chavez announced that Minister of Commerce Eduardo Saman had been replaced, bringing to eight the number of Venezuelan government (GBRV) ministers since mid-January who have either resigned or been relieved of their duties. Theories abound regarding the reasons for the apparent exodus, ranging from the estimation that a politically weakened Chavez seeks to fortify the Bolivarian revolution with hardliners, to the belief that the revolving door reflects a power struggle among high-level supporters of the President. In the last month Chavez appears to have shrunk his circle of advisers by also assigning multiple Cabinet portfolios to three of his ministers. Against the backdrop of the ongoing electricity crisis and eroding poll numbers, the changes suggest that Chavez is trying to assemble a Cabinet that he can rely on to move his priorities forward during a critical period. End Summary.

¶2. (SBU) At the inauguration of the new government-owned supermarket chain Hipermercado Bicentenario on February 13, President Chavez announced that Minister of Commerce Eduardo Saman was being replaced by Vice Minister of Agriculture Richard Canan. Chavez - who made only brief reference to the change and without any rhetorical flourish - provided no reason for Saman's departure, but noted that the "good man and compatriot" would be assigned "other duties to defend the consumer and public." Chavez did not address whether this meant that Saman would remain in his position as head of INDEPABIS, the GBRV's consumer protection agency, although local media analysis suggests that he will.

¶3. (C) Saman's departure from the position is the eighth change in Chavez's Cabinet in a month. The firing of Electricity Minister Angel Rodriguez on January 13 was followed by the January 25 resignation of Vice President and Minister of Defense Ramon Carrizalez and his wife, Environment and Natural Resources Minister Yubiri Ortega; the same day Minister of Public Banking and President of Banco de Venezuela Eugenio Vasquez also announced his resignation (ref A). On February 2, Minister of Culture Hector Soto and Minister of Tourism Pedro Morejon both announced their resignations, followed by that of Health Minister Carlos Rotondaro on February 10. (Note: Rotondaro maintained his position as head of Venezuela's Social Security Institute (IVSS). End Note.) Most of those resigning have asserted they did so for personal reasons, in some cases for unspecified "health" issues.

14. (C) Speculation abounds regarding the sudden flurry of high-level departures: that Chavez is fortifying the Bolivarian revolution with hardliners; that he seeks to improve the GBRV's ability to respond to multiple evolving challenges, including the electricity emergency; that the revolving door reflects a power struggle between high-level supporters of the President; that the departed ministers were fed up with the heavy involvement of Cuban officials in GBRV decision-making; or that new Vice President Elias Jaua is largely responsible for the changes due to a desire to place his imprimatur on the Cabinet. Electricity Minister Rodriguez's dismissal was widely viewed as a tried-and-true Chavez defensive tactic: castigation of a senior GBRV official for a particular crisis in order to insulate the President from blame (even if, in this case, the Minister had been on the job for less than three months). Motives for the other changes may have differed; while four of the eight ministers departed prior to the announcement of Elias Jaua's assumption of the Vice Presidency, the naming of one of Jaua's closest allies, Richard Canan, to the Minister of Commerce post appears to confirm that Jaua is making his presence in the Cabinet felt.

15. (C) At the same time, Chavez has effectively reduced the size of his Cabinet by encumbering several ministers with more than one portfolio. On January 15, Chavez announced that Minister of Planning Jorge Giordani would serve concurrently as Minister of

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Economy and Finance, taking over for Ali Rodriguez, who himself was slotted to take over the Ministry of Electricity. Vice President Jaua maintained his duties as Minister of Agriculture and Lands after his February 2 elevation. And following his announcement of Rotondaro's departure, Chavez named current Minister of the Presidential Secretariat ("Despacho de la Presidencia") Luis Reyes to simultaneously serve as Health Minister. Two other ministerial appointees added their new duties to existing government titles: Environment and Natural Resources Minister Alejandro Hitcher continues to serve as head of Hidrocapital, the GBRV-owned water authority, while new Defense Minister Carlos Mata concurrently serves as Director of the Armed Forces' Strategic Operational Command (CEO). In addition, the new Minister of Culture is not "new": Farruco Sesto served in the same position from 2005 to 2008, working since then in the Presidential Office of Special Projects.

16. (C) Comment: Unlike the government restructuring plan that he rolled out in September 2009 (Ref B), Chavez has not stated that a comprehensive review or overhaul of GBRV leadership is underway. While disparate factors may have contributed to the various Cabinet changes, their quick succession and Chavez's heavy reliance on existing allies to fill the vacated positions suggest that he is experiencing some measure of desperation. With the electricity crisis sure to dominate the news for the foreseeable future, disturbing poll numbers, and parliamentary elections seven months away, Chavez seems eager to assemble a trusted cadre of ministers who can move his agenda forward at a critical moment for his government. End Comment.

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